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DEPARTMENT OF COMMERCE

International Trade Administration

[A-520-807]

Circular Welded Carbon-Quality Steel Pipe from the United Arab Emirates: Preliminary Results of Antidumping Duty Administrative Review; 2017-2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that sales of circular welded carbon-quality steel pipe (CWP) from the United Arab Emirates (UAE) have been made below normal value. We invite interested parties to comment on these preliminary results.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Manuel Rey or Whitley Herndon, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5518 or (202) 482-6274, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce is conducting an administrative review of the antidumping duty order on CWP from the UAE. The notice of initiation of this administrative review was published on March 14, 2019.¹ This review covers 20 producers and exporters of the subject merchandise.

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 9297 (March 14, 2019), as amended in *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 12200, 12201 (April 1, 2019).

The period of review is December 1, 2017 through November 30, 2018. On September 9, 2019, Commerce extended the deadline for the preliminary results of this administrative review until January 31, 2020.²

Commerce selected two mandatory respondents for individual examination: Conares Metal Supply Ltd. (Conares) and Universal Tube and Plastic Industries, Ltd./THL Tube and Pipe Industries LLC/KHK Scaffolding and Framework LLC (collectively, Universal).³

Scope of the Order

The merchandise subject to the order is welded carbon-quality steel pipes and tube, of circular cross-section, with an outside diameter not more than nominal 16 inches (406.4 mm), regardless of wall thickness, surface finish, end finish, or industry specification, and generally known as standard pipe, fence pipe and tube, sprinkler pipe, or structural pipe (although subject product may also be referred to as mechanical tubing). The products subject to this order are currently classifiable in Harmonized Tariff Schedule of the United States (HTSUS) statistical reporting numbers 7306.19.1010, 7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5015, 7306.30.5020, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055,

² See Memorandum, “December Order Deadlines Affected by the Partial Shutdown of the Federal Government,” dated August 7, 2019; see also “Circular Welded Carbon-Quality Steel Pipe from the United Arab Emirates: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,” dated September 9, 2019.

³ Commerce previously determined that Universal is a collapsed entity consisting of the following three producers/exporters of subject merchandise: Universal Tube and Plastic Industries, Ltd., KHK Scaffolding and Framework LLC, and Universal Tube and Pipe Industries LLC (UTP). See *Circular Welded Carbon-Quality Steel Pipe from the United Arab Emirates: Affirmative Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 81 FR 36882 (June 8, 2016), and accompanying Preliminary Decision Memorandum, unchanged in *Circular Welded Carbon-Quality Steel Pipe from the United Arab Emirates: Final Determination of Sales at Less Than Fair Value*, 81 FR 75030 (October 28, 2016), and accompanying Issues and Decision Memorandum. Because there is no information on the record of this administrative review that would lead us to revisit this determination, we are continuing to treat these companies as part of a single entity for purposes of this administrative review. Additionally, we previously determined that THL Tube and Pipe Industries LLC is the successor-in-interest to Universal Tube and Pipe Industries LLC. See *Circular Welded Carbon-Quality Steel Pipe from the United Arab Emirates: Final Results of Antidumping Duty Administrative Review; 2016-2017*, 84 FR 44845 (August 27, 2019) (CWP from UAE 2016-2017 Final Results).

7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5030, 7306.50.5050, and 7306.50.5070.

Although the HTSUS numbers are provided for convenience and for customs purposes, the written product description remains dispositive.⁴

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) and (2) of the Tariff Act of 1930, as amended (the Act). Export price and constructed export price are calculated in accordance with section 772 of the Act. Normal value is calculated in accordance with section 773 of the Act.

For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content. A list of the topics discussed in the Preliminary Decision Memorandum is attached as an appendix to this notice.

⁴ For a complete description of the scope of the order, *see* Memorandum, "Decision Memorandum for the Preliminary Results of the 2017-2018 Administrative Review of the Antidumping Duty Order on Circular Welded Carbon-Quality Steel Pipe from the United Arab Emirates," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Preliminary Results of the Review

We preliminarily determine that, for the period December 1, 2017 through November 30, 2018, the following weighted-average dumping margins exist:

<u>Exporter / Producer</u>	<u>Weighted-Average Dumping Margin (Percent)</u>
Conares Metal Supply Ltd.	2.49
Universal Tube and Plastic Industries, Ltd./ THL Tube and Pipe Industries LLC/KHK Scaffolding and Framework LLC	9.11

Review-Specific Average Rate Applicable to the Following Companies:⁵

<u>Exporter / Producer</u>	<u>Weighted-Average Dumping Margin (Percent)</u>
Abu Dhabi Metal Pipes and Profiles Industries Complex	5.80
Ajmal Steel Tubes & Pipes Ind. L.L.C./Noble Steel Industries L.L.C. ⁶	5.80
Al Mansoori Industrial Supply	5.80
Baker Hughes EHO Ltd.	5.80
BioAir Solutions LLC	5.80
Bridgeway Shipping & Clearing Services, LLC	5.80
Ferrofab FTZ	5.80
Ferrolab LLC	5.80
Global Steel Industries	5.80
Halima Pipe Co., Ltd.	5.80
K.D. Industries Inc.	5.80
Lamprell	5.80
Link Middle East Ltd.	5.80
Noble Marine Metals Co., W.L.L.	5.80
PSL FZE	5.80
Reyah Metal Trading FZE	5.80
Three Star Metal Ind LLC	5.80
Tiger Steel Industries LLC.	5.80

⁵ This rate is based on the simple average of the margins calculated for those companies selected for individual review. Because we cannot apply our normal methodology of calculating a weighted-average margin due to requests to protect business proprietary information, we find this rate to be the best proxy of the actual weighted-average margin determined for the mandatory respondents. *See Ball Bearings and Parts Thereof from France, et al.: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010).

⁶ We collapsed Ajmal Steel Tubes and Pipes Ind. L.L.C. and Noble Steel Industries L.L.C. together in the final results of the 2016-2017 administrative review. *See CWP from UAE 2016-2017 Final Results*.

Verification

The petitioners⁷ timely requested verification of Conares and cited good cause for verification. Accordingly, as provided in section 782(i) of the Act, we intend to verify information relied upon for the final results.⁸

Disclosure and Public Comment

Commerce intends to disclose the calculations performed in connection with these preliminary results to interested parties within five days after the date of publication of this notice.⁹ Interested parties may submit case briefs to Commerce no later than seven days after the date of the final verification report issued in this review. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than five days after the time limit for filing case briefs.¹⁰ Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹¹ Case and rebuttal briefs should be filed using ACCESS.¹²

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. An electronically-filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice.¹³ Hearing requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in

⁷ Bull Moose Tube Company and Wheatland Tube Company (collectively, the petitioners).

⁸ See Petitioners' Letter, "Circular Welded Carbon Quality Steel Pipe from the United Arab Emirates: Request for Verification of Conares Metal Supply Ltd.," dated June 12, 2019.

⁹ See 19 CFR 351.224(b).

¹⁰ See 19 CFR 351.309(d).

¹¹ See 19 CFR 351.309(c)(2) and (d)(2).

¹² See 19 CFR 351.303.

¹³ See 19 CFR 351.310(c).

the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, parties will be notified of the time and date for the hearing to be held at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.¹⁴

Commerce intends to issue the final results of this administrative review, including the results of its analysis raised in any written briefs, not later than 120 days after the publication date of this notice, pursuant to section 751(a)(3)(A) of the Act, unless otherwise extended.¹⁵

Assessment Rates

Upon issuance of the final results, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries covered by this review.¹⁶

Pursuant to 19 CFR 351.212(b)(1), because Conares and Universal reported the entered value of their U.S. sales, we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the examined sales to the total entered value of the sales for which entered value was reported. Where either the respondent's weighted-average dumping margin is zero or *de minimis* within the meaning of 19 CFR 351.106(c)(1), or an importer-specific rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

For the companies which were not selected for individual review, we will assign an assessment rate based on the average of the cash deposit rates calculated for Conares and Universal, excluding any which are *de minimis* or determined entirely based on adverse facts available. The final results of this review shall be the basis for the assessment of antidumping

¹⁴ See 19 CFR 351.310(d).

¹⁵ See section 751(a)(3)(A) of the Act.

¹⁶ See 19 CFR 351.212(b).

duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.¹⁷

Commerce's "automatic assessment" practice will apply to entries of subject merchandise during the POR produced by companies included in these final results of review for which the reviewed companies did not know that the merchandise they sold to the intermediary (*e.g.*, a reseller, trading company, or exporter) was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.¹⁸

We intend to issue liquidation instructions to CBP 15 days after publication of the final results of this review.

Cash Deposit Requirements

The following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for the exporters listed above will be that established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for previously reviewed or investigated companies not participating in this review, the cash deposit rate will continue to be the company-specific rate published for the most recently-completed segment of this proceeding in which the company was reviewed; (3) if the exporter is not a firm covered in this review, a prior review, or the less-than-fair value (LTFV) investigation, but the

¹⁷ See section 751(a)(2)(C) of the Act.

¹⁸ For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

manufacturer is, then the cash deposit rate will be the rate established for the most recently-completed segment of this proceeding for the manufacturer of subject merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 5.95 percent, the all-others rate made effective by the LTFV investigation.¹⁹ These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: January 31, 2020.

Christian Marsh,
Deputy Assistant Secretary
for Enforcement and Compliance.

¹⁹ See *Circular Welded Carbon-Quality Steel Pipe from the Sultanate of Oman, Pakistan, and the United Arab Emirates: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Orders*, 81 FR 91906 (December 19, 2016).

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Allegation of a Particular Market Situation
- V. Companies Not Selected for Individual Examination
- VI. Discussion of the Methodology
- VII. Currency Conversion
- VIII. Recommendation

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